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Major News Releases and Speeches

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News Releases

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FOOD PRICE STABILITY CONTINUES

WASHINGTON, Sept. 23—The consumer price index for food in August was 0.1 percent above the July level (before seasonal adjustment), according to the monthly consumer price index released today by the U. S. Department of Labor.

The rise in retail food prices has decelerated dramatically this year because of smaller increases in marketing costs and lower farm prices, according to Assistant Secretary of Agriculture William Leshner. "Farm prices have declined this year because of record large supplies of many farm commodities and weak demand here and abroad," he said. "The CPI for food bought in grocery stores was virtually unchanged from a year ago."

Prices for food away from home rose 0.4 percent in August, and were 4 percent above a year ago. The food away from home component of the CPI was the primary source of the increase in the all food component, reflecting strong demand during the vacation season. Prices for food bought in grocery stores fell 0.1 percent in August and were 0.6 percent above a year earlier.

Retail meat prices decreased by 1.3 percent in August due to larger supplies of beef and pork. Pork prices fell 0.6 percent, and beef prices dropped 1.8 percent. This brought the CPI for meats in August to a level 4.4 percent below August a year ago. Larger meat supplies can be attributed in part to increased slaughter resulting from the drought and higher feeding costs.

Poultry prices rose 1.2 percent in part reflecting the heat-induced lower broiler supplies. Retail prices for eggs increased 3.3 percent and were 14 percent above the low levels of August a year ago when supplies were large following the loss of some export markets.

The CPI for fresh vegetables fell 0.7 percent in August due to larger supplies of lettuce and tomatoes. The CPI for fresh fruit rose 0.7 percent due to seasonally lower supplies and higher prices of apples and oranges.

August Retail Food Prices, Percent Change for Selected Items

Items	July to August		August 1982 to August 1983
	Not seasonally adjusted	Seasonally adjusted	
<i>Percent change</i>			
All food	0.1	0.2	1.7
Food away from home	0.4	0.6	4.0
Food at home	-0.1	0.0	0.6
Meats	-1.3	-0.7	-4.4
Beef and veal	-1.8	-0.7	-3.5
Pork	-0.6	-0.6	-6.9
Other meats	-0.9	*	-3.0
Poultry	1.2	*	2.2
Eggs	3.3	-2.8	14.0
Fish and seafood	1.0	1.5	1.4
Dairy products	0.2	*	1.1
Fats and oils	-0.3	*	-0.1
Cereals and bakery prods.	0.1	*	3.2
Fruits and vegetables	0.2	0.8	2.7
Nonalcoholic beverages	0.5	0.0	1.6
Sugar and sweets	-0.1	*	1.5
Other prepared foods	0.0	*	2.6

* A seasonally adjusted index is not available for these items.

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BLOCK SAYS MOST 1983 U.S. BEEF IMPORTS UNDER VOLUNTARY RESTRAINT

WASHINGTON, Sept. 27—Secretary of Agriculture John Block today said the fourth quarterly estimate of U.S. meat imports for 1983 is below the level that would require quotas on imports under the Meat Import Act of 1979.

Based on estimates of available supplies and certain voluntary restraint agreements, imports of beef and certain other meats should total about 1.23 billion pounds—1 million pounds below the 1983 trigger point of 1.231 billion pounds, he said.

The 1.23-billion-pound fourth quarterly estimate is tied to voluntary restraint agreements with Australia and New Zealand, and to an exchange of letters with the Canadian government.

The meats referred to under the act include mostly fresh, chilled or frozen beef, veal, mutton and goat meat. Historically, Australia, New Zealand and Canada have been the largest suppliers of these types of meats to the United States.

The Meat Import Act requires the president to restrict imports of these meats if U.S. Department of Agriculture estimates of imports will equal or exceed 110 percent of a stated level.

"Based on today's estimate, there was no need to impose quota restrictions," Block said.

USDA makes a new estimate of meat imports before each calendar quarter. The first quarterly estimate for 1984 will be made and announced on or before Dec. 31.

Voluntary restraint agreements were in effect beginning with the fourth quarter of 1982. No import restrictions on meat imports were effective during 1980 or 1981.

Imports of meat subject to the law—by month—are:

Month	1980	1981	1982	1983
January	144.3	79.5	55.5	92.2
February	107.0	109.2	67.5	124.3
March	97.1	90.6	127.9	127.0
April	101.9	107.6	119.2	106.5
May	105.0	81.9	86.0	92.8
June	99.5	98.1	160.6	143.2
July	146.0	112.2	99.2	113.1
August	123.4	102.1	133.8	124.1
September	100.5	114.1	237.4	

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October	132.4	122.7	126.6
November	104.6	97.3	33.9
December	169.3	101.6	71.7

TOTAL *	1,431.0	1,216.8	1,319.6
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* Total may not add due to rounding.

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BLOCK DETERMINES COMMODITIES AVAILABLE FOR 1984 P.L. 480 PROGRAM

WASHINGTON, Sept. 27—Secretary of Agriculture John R. Block today announced commodities available for programming in the Public Law 480 program for fiscal 1984.

This determination is required by Public Law 480 and provides authority for shipments beginning Oct. 1 for both the Title I/III concessional sales program and the Title II donations programs.

The following commodities have been determined legally available for export under the program: wheat and wheat products, rice and rice products, feed grains and feed grain products, upland and extra long staple cotton, edible vegetable oil and products, edible and inedible tallow, soyfood products other than oil, nonfat dry milk, butter, cheese, dry edible beans, dry edible peas and lentils.

In all cases, the quantities determined available exceed the currently planned shipment levels proposed in the president's budget for fiscal 1984. The following commodities and approximate quantities are currently proposed for 1984 shipment:

Wheat	153.0 million bushels
Rice	8.3 million hundredweight
Feed grains	0.6 million metric tons
Upland cotton	27.0 thousand bales
Edible vegetable oil & products	591.0 million pounds
Soyfood products other than oil	112.5 million pounds
Nonfat dry milk	308.1 million pounds
Dry edible peas	100.3 thousand hundredweight

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USDA ADOPTS RULE TO ALLOW GRAIN INSPECTORS FLEXIBILITY IN

WASHINGTON, Sept. 27—Effective Nov. 1, the U.S. Department of Agriculture will adopt a rule that will allow grain inspectors the flexibility to perform odor tests either before or after grain samples are mechanically cleaned.

"This change will help reduce the incidence of our grain inspectors inhaling certain components during the odor check, such as grain dust, molds and pesticides—which may adversely affect their health," said Kenneth A. Gilles, administrator of USDA's Federal Grain Inspection Service. Previously grain inspectors could smell the grain only before it was cleaned.

Mechanical cleaning eliminates a large portion of the fine particles in grain samples and helps reduce the concentration of pesticides by aerating the grain.

The rule affects wheat, corn, barley, rye, sorghum, flaxseed and triticale. The standards for soybeans, oats and mixed grain were not included in the revision since these grains are not mechanically cleaned during the inspection process.

"Although we only received 13 comments on the proposal to revise the basis of determining odor, a clear majority supported the proposed revision," Gilles said.

"Ordinarily, it takes at least one calendar year for changes in the grain standards to become effective," Gilles said. "However, in the interest of the health and safety of the grain inspectors, the new rule will become effective Nov. 1."

The final regulation is scheduled to be published in the Sept. 28 Federal Register.

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USDA ADOPTS FINAL RULE ON SORGHUM STANDARDS

WASHINGTON, Sept. 27—Following a review of sorghum standards, the U.S. Department of Agriculture has adopted a final rule that will permit more whitecolored sorghum to be classed as "white."

The regulation makes the definition of the class white sorghum less restrictive by permitting white-colored sorghum with dark spots covering 25 percent or less of the kernel to be considered white sorghum.

"By easing the color restrictions, more sorghum will be available for buyers who prefer to use white-colored sorghum for food, feed and industrial uses," said Kenneth A. Gilles, administrator of USDA's Federal Grain Inspection Service.

Gilles said very little white-colored sorghum will grow to maturity without developing one or more colored spots.

USDA made the changes to the sorghum standards primarily as a result of requests by certain segments of the sorghum industry, Gilles said.

The regulation is scheduled to be published in the Sept. 28 Federal Register.

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EMERGENCY LOAN INTEREST RATES LOWERED

WASHINGTON, Sept. 28—Secretary of Agriculture John R. Block today said President Reagan has instructed him to reduce emergency loan interest rates by 3 percent, from 8 to five percent, for all farmers operating in counties designated eligible in the natural disaster emergency loan program for the 1983 crop season.

The 5 percent rate will apply to the first \$100,000 borrowed; the balance will be subject to the 8 percent rate. This reduction applies to all eligible farmers who are unable to obtain credit elsewhere. The current rate of 13.75 percent applies to those able to obtain credit elsewhere.

"After reviewing the input we received from governors of the affected states earlier this month, it became apparent that additional action was necessary to assist agriculture in these areas," Block said. "Reducing these interest rates will provide an extra boost to these farmers, especially those who are not already benefiting from federal crop insurance or from participation in the payment-in-kind program."

Steps have already been taken to speed up the delivery of emergency loan checks to eligible farmers, Block said. These steps, including new equipment, extra office help and improved practices, should cut by more than one-half the time between loan approval and check delivery.

"Farmers realize there is certain risk in the business of agriculture," Block said. "They are willing to face those risks or they wouldn't be in the business. But natural disasters such as we have seen this summer require additional assistance. We are making every effort, within reasonable limits, to ease the burdens as farmers recover from this severe drought."

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USDA AMENDS SEVERAL REGULATIONS DEALING WITH GRAIN INSPECTION

WASHINGTON, Sept. 28—Effective Oct. 31, the U.S. Department of Agriculture will adopt several minor regulation changes that affect grain inspection.

According to Kenneth A. Gilles, administrator of USDA's Federal Grain Inspection Service, one rule amends regulations covering duties and conduct of official grain inspection personnel and warehouse samplers and the other amends rules governing registration of firms engaged in grain exporting.

Under the first regulation change:

- Licensees and warehouse samplers no longer will have to report changes in the scope of their duties and employment because this duplicates what is required of the official agency; and

- Warehouse samplers will be exempt from conflict-of-interest provisions that apply to employees of USDA's Federal Grain Inspection Service or official inspection agencies. However, the samplers are still subject to standards of conduct in the regulations.

Under the second change, which includes rewriting and reorganizing the regulation for clarity and simplicity, these provisions will be deleted because they are no longer applicable:

— Procedures used only during initial implementation of the registration program; provisions to withdraw an application; and provisions dealing with possession of certificates;

— The requirement that suspended or revoked registration certificates be returned to the agency; and

— Provisions concerning renewed certificates to simplify the mechanics of the registration program and permit use of the same type of certificate for new registrations and renewals.

Details of the rules are scheduled to be published in the Sept. 29 Federal Register.

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CONSERVATION EMPHASIZED IN 1984 FEED GRAIN PROGRAM

MARION, Iowa, Sept. 29—Secretary of Agriculture John R. Block today announced a 10 percent acreage reduction for "acreage conservation reserve purposes" for the 1984 feed grain program. Program signup period will be Jan. 16 - Feb. 24, the same as for the 1984 wheat program.

"I am referring to the 1984 program as an acreage conservation reserve to give special emphasis to the administration's objective," Block said. "We want to encourage farmers to place their more erosive land into conservation uses while continuing to balance supply and demand during 1984. The current payment-in-kind program accomplished this, and our goal in 1984 is to encourage a continuation of this very important conservation practice."

Block said participation in the 1984 program is a way in which farmers can control over-supply situations similar to what they have just faced. "It will also provide a degree of insurance for farmers against price fluctuation and adverse weather conditions," Block said. "The point is, it is not always in the farmer's best interest to plant fence row to fence row."

Regular Commodity Credit Corporation price support loan and purchase rates, per bushel, will be: corn, \$2.55; sorghum, \$2.42; barley, \$2.08; oats, \$1.31; rye, \$2.17.

Other 1984 feed grain program provisions include:

- To be eligible for price support benefits, a producer must agree to limit corn, sorghum, oats and barley acreage planted for harvest to not more than 90 percent of the farm's feed grain base and devote to an acreage conservation reserve an acreage of eligible cropland equal to 11.11 percent of the 1984 planted acreage. As under the 1983 program, two bases will be established, one for corn and sorghum and the other for barley and oats.

- The 1984 acreage base will be the average of the acreage planted and considered planted to feed grains in 1982 and 1983.

- Land designated for acreage conservation reserve use must have been devoted to row crops or small grains in two of the last three years except for a summer fallow farm. In the case of summer fallow, acreage conservation reserve use acreage must be land that would have been planted to small grains or row crops in 1984 in the absence of the 1984 feed grain program. The land must be protected from wind and water erosion throughout the year.

- Offsetting and cross compliance will not apply to the 1984 program.

- No advance deficiency payments.

- Haying will not be permitted on the conservation use acreage. However, the acreage may be grazed except during the six principal growing months.

- As in the 1983 program, waxy corn will be included, but not popcorn or sweet corn.

- Malting barley will not be exempted from the program.

- There will be no immediate entry in the farmer owned reserve for the 1984 crops of feed grains. Further, USDA intends to review the size of the reserve before regular price support loans for the 1984 crops reach maturity. A ceiling may be placed on the size of the feed grain reserve at that time which will effectively preclude entry of the 1984 crops in the reserve. Any 1984 feed grains entering the reserve will be at the same loan rates as for regular CCC loans.

- Contracts signed by program participants will be considered as binding and will provide for liquidated damages for failure to comply with program requirements.

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FINAL 1983-CROP SOYBEAN LOAN AND PURCHASE RATE SET AT \$5.02 PER BUSHEL

WASHINGTON, Sept. 30—The final loan and purchase rate for 1983-crop soybeans will be \$5.02 per bushel, the same as the preliminary rate announced earlier and the minimum permitted by law, according to a U.S. Department of Agriculture official.

Everett Rank, administrator of USDA's Agricultural Stabilization and Conservation Service, said all producers of 1983-crop soybeans will be eligible for loans and purchases since USDA does not require farmers to take part in production adjustment programs as a condition of eligibility.

He said current law provides for the loan rate to be at a level equal to 75 percent of the simple average price received by farmers during the past five years, excluding the high and low years, but not less than \$5.02 per bushel.

Soybeans are not eligible for the farmer-owned reserve programs or for storage payments, Rank said.

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